

EXHIBIT L

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d)
of The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) February 24, 2022

Block, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37622
(Commission
File Number)

80-0429876
(IRS Employer
Identification No.)

1455 Market Street, Suite 600
San Francisco, CA 94103
(Address of principal executive offices, including zip code)

(415) 375-3176
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0000001 par value per share	SQ	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition.

On February 24, 2022, Block, Inc. (the “Company”) issued a Shareholder Letter (the “Letter”) announcing its financial results for the fourth quarter and fiscal year ended December 31, 2021. In the Letter, the Company also announced that it would be holding a conference call on February 24, 2022 at 2:00 p.m. Pacific Time to discuss its financial results for the fourth quarter and fiscal year ended December 31, 2021. The Letter is furnished as Exhibit 99.1 to this report.

The Company is making reference to non-GAAP financial information in both the Letter and the conference call. A reconciliation of these non-GAAP financial measures to their nearest GAAP equivalents is provided in the Letter.

The information furnished pursuant to Item 2.02 on this Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any other filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Shareholder Letter, dated February 24, 2022.
104	Cover Page Interactive Data File, formatted in inline XBRL.



Q4'21 Highlights



In the fourth quarter of 2021, we generated gross profit of \$1.18 billion, up 47% year over year. Cash App generated gross profit of \$518 million, up 37% year over year. Our Square ecosystem generated gross profit of \$657 million, up 54% year over year.



Cash Card has reached significant scale: There were more than 13 million Cash Card monthly actives in December, which represented more than 30% of our 44 million monthly transacting active base.



Our sellers have adopted more of Square's ecosystem over time, which has helped them grow: In 2021, 38% of Square's gross profit came from sellers using four or more products, compared to 10% in 2016.

Fourth Quarter Financial Metrics

Gross Profit

\$1.18 Billion +47% YoY



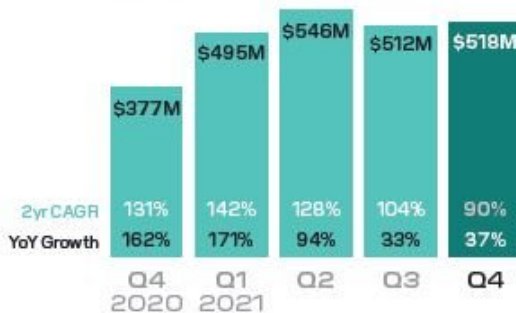
Adjusted EBITDA

\$184 Million



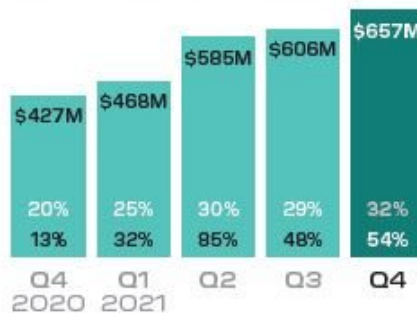
Cash App Gross Profit

\$518 Million +37% YoY



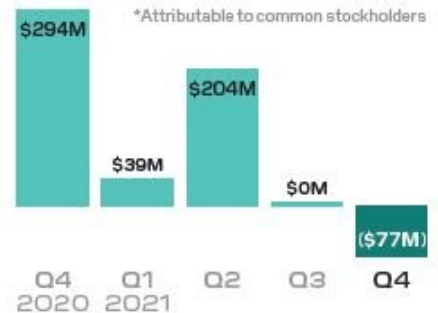
Square Gross Profit

\$657 Million +54% YoY



Net Income (Loss)*

(\$77 Million)



In the fourth quarter of 2021, total net revenue was \$4.08 billion, up 29% year over year, and, excluding bitcoin revenue, total net revenue was \$2.12 billion, up 51% year over year.

The following items affected net income (loss) per share during the respective periods. In the fourth quarter of 2020, we recognized a gain of \$274 million related to equity investments, driven primarily by a gain of \$255 million as a result of the mark-to-market valuation of our investment in DoorDash. In the first quarter of 2021, we recognized a loss of \$29 million related to the mark-to-market valuation of our investment in DoorDash as well as a \$20 million bitcoin impairment loss. In the second quarter of 2021, we recognized a \$77 million gain on our equity investments and a \$45 million bitcoin impairment loss. In the third quarter of 2021, we recognized a loss of \$7 million driven by the adjustment to the revaluation of equity investments as well as a \$6 million bitcoin impairment loss. In the fourth quarter of 2021, we recognized a loss of \$6 million driven by the adjustment to the revaluation of equity investments.

A reconciliation of non-GAAP financial measures used in this letter to their nearest GAAP equivalents is provided at the end of this letter.

The compound annual growth rate (CAGR) is the mean annual growth rate over a specified time period. Given the variability in year-over-year comparisons due to COVID-19, we believe using two-year CAGRs from 2019 to 2021 better reflects underlying growth trends.

2021 Highlights



For the full year of 2021, gross profit was \$4.42 billion, up 62% year over year, or 53% on a two-year CAGR basis. Cash App generated \$2.07 billion in gross profit, up 69% year over year and 113% on a two-year CAGR basis. Our Square ecosystem generated \$2.32 billion in gross profit, up 54% year over year and 29% on a two-year CAGR basis.

2021 Financial Metrics

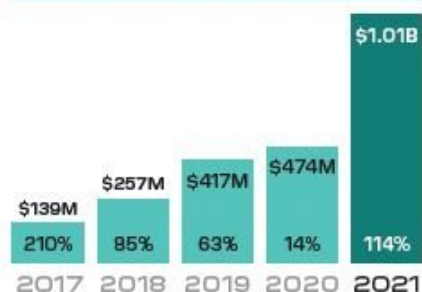
Gross Profit

\$4.42 Billion +62% YoY



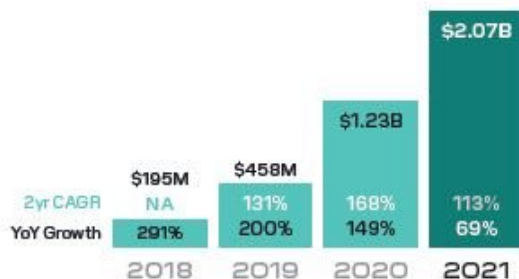
Adjusted EBITDA

\$1.01 Billion



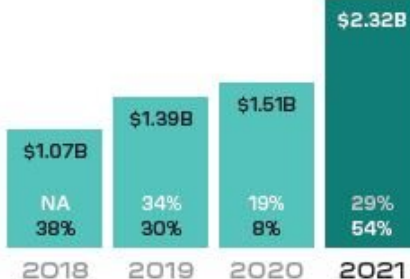
Cash App Gross Profit

\$2.07 Billion +69% YoY



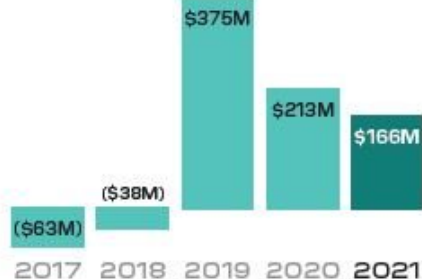
Square Gross Profit

\$2.32 Billion +54% YoY



Net Income (Loss)*

\$166 Million





To Our Shareholders

February 24, 2022

We delivered strong growth at scale during the fourth quarter of 2021. Gross profit grew 47% year over year to \$1.18 billion, or 50% on a two-year compound annual growth rate (CAGR) basis. Our Cash App ecosystem delivered gross profit of \$518 million, an increase of 37% year over year and 90% on a two-year CAGR basis. For our Square (formerly known as Seller) ecosystem, gross profit was \$657 million, up 54% year over year and 32% on a two-year CAGR basis.

For the full year of 2021, gross profit was \$4.42 billion, up 62% year over year and 53% on a two-year CAGR basis. Cash App generated \$2.07 billion in gross profit, up 69% year over year and 113% on a two-year CAGR basis. Our Square ecosystem generated \$2.32 billion in gross profit, up 54% year over year and 29% on a two-year CAGR basis.

On January 31, we completed our acquisition of Afterpay, a global “buy now, pay later” (BNPL) platform. We believe this acquisition will further Block’s strategic priorities for Square and Cash App by strengthening the connections between our ecosystems as we deliver compelling financial products and services for consumers and merchants. Together, we intend to enable Square sellers of all sizes to offer BNPL at checkout, offer Afterpay consumers the ability to manage their installment payments directly in Cash App, and give Cash App customers the ability to discover sellers and BNPL offers directly within the app. United by our shared purpose of economic empowerment, we are excited to welcome the Afterpay team to Block and help make the financial system more fair and inclusive as we build together.



Cash App Ecosystem

Strengthening the network

Peer-to-peer payments have allowed us to virally grow Cash App's network and remained the primary driver of customer acquisition in the fourth quarter. In December, there were more than 44 million monthly transacting actives on Cash App, an increase of 22% year over year. To enhance network effects through other products, in the fourth quarter we introduced a new feature allowing customers to send fractional shares and bitcoin from their Cash App balances to friends and family. By expanding peer-to-peer capabilities, we see an opportunity to drive network effects across other products within our ecosystem and encourage customers to try new products within Cash App.



In December, we introduced a new feature allowing customers to send fractional stocks and bitcoin from their Cash App balances to friends and family for free.

A transacting active is a Cash App account that has at least one financial transaction using any product or service within Cash App during the specified period. A transacting active for a specific Cash App product has at least one financial transaction using that product during the specified period and is referred to as an active.

For more information on payback, refer to page 12.

Gross profit per monthly transacting active is calculated based on Cash App annualized gross profit during a given quarter divided by monthly transacting actives for the last month of the quarter.

In 2021, we also invested further in acquiring customers who value Cash App's ecosystem and engage with more products. Behind these paid marketing investments, our acquisition cost in 2021 was approximately \$10 to acquire a new transacting active, and we've seen early monthly cohorts maintain strong returns on acquisition spend with paybacks of less than one year. Gross profit per monthly transacting active reached \$47 in the fourth quarter, an increase of 13% from the prior year, even as we grew our customer base.

Earnings Webcast

MEDIA CONTACT
press@block.xyz

**INVESTOR RELATIONS
CONTACT**
ir@block.xyz

Block (NYSE:SQ) will host a conference call and earnings webcast at 2:00 p.m. Pacific time/5:00 p.m. Eastern time, February 24, to discuss these financial results. To register to participate in the conference call, or to listen to the live audio webcast, please visit the Events & Presentations section of Block's Investor Relations website at investors.block.xyz. A replay will be available on the same website following the call.

We will release financial results for the first quarter of 2022 on May 5, 2022, after the market closes, and will also host a conference call and earnings webcast at 2:00 p.m. Pacific time/5:00 p.m. Eastern time on the same day to discuss those financial results.



Jack Dorsey



Amrita Ahuja